

1 doorstops.

2 Q And you also indicated another item in the picture  
3 that you said at the time was that the black boxes were  
4 there, and when you visited some schools, people had asked  
5 you "when is this going to be connected?", right?

6 A And I want to be fair, and that was evidence of  
7 what was being evaluated by the experts who would go and  
8 observe and obtain technical information in evaluation.

9 When I sate this, Counsel, what I want to do is  
10 illustrate that I myself lived, went through these  
11 situations. Situations which were corroborated by the  
12 Secretary.

13 It's not that the Secretary receives information  
14 here, but that when I visited the schools which I do every  
15 Wednesday, there was a correlation between what the experts  
16 would state in their report and what one would observe in the  
17 re-connection and in the personal evaluation.

18 Q When people would ask you "when is this going to be  
19 connected?" Referring to the black boxes, what did you tell  
20 them?

21 A That we were doing an evaluation and that we would  
22 be working hard in order for them to obtain the service,  
23 obviously.

24 Q You say you saw with your own eyes that the  
25 equipment was facing the walls?

1 A Yes.

2 Q Explain that to me, please.

3 A Specifically one school, the Cacique Agueybaná in  
4 Bayamón. I visited the school for other reasons, and I am  
5 led to the library to show me, they say "look, this has been  
6 here for two years."

7 There were close to 20 IBM computers,  
8 sophisticated, together with other computers that were there.  
9 There was supposed to be a process there where there were two  
10 air conditioners on the floor, and then you go there and  
11 there was also what you find in a common library, the books,  
12 the tables, and when you faced that you get to an adversary  
13 incomformity.

14 And then undoubtedly, the comments come, all these  
15 notices about technology and this is something that in the  
16 schools it's... After so much announcements on the Media and  
17 we can not get connected.

18 Q When you said that the equipment was facing the  
19 walls, meaning that it was connected, is that what you meant?

20 A The computers were literally with their backs  
21 towards us. We were supposed to go there, and work there.  
22 So, instead of being placed, it was facing the windows, there  
23 were boxes, there was dust, there was deterioration.

24 In other cases, I went to schools where the  
25 computers were not even out of the boxes, and what was a

1 permanent incidence was "when is that black box going to be  
2 connected?" That happened all the time, continuous.

3 Q With respect to the computers that were facing the  
4 walls, that was that the screen was literally facing the  
5 wall, right?

6 A That's right, yes.

7 Q Now,---

8 A They were not connected, of course, and...

9 Q Were they---

10 A It was no use, no, not at all.

11 Q They were not connected?

12 A (No verbal answer is heard)

13 Q A couple of questions. First of all, do you know  
14 who had brought those computers there?

15 A It had not been us. Evidently, when we got here,  
16 they had been there for two or two and half years, but it  
17 wasn't us.

18 Q Did you learn, before you cancelled DRC's contract,  
19 that DRC never had an obligation to provide any computers?  
20 Did you know that?

21 A Again, my answer is the same. I was advised at the  
22 moment the decision was made. I don't have the specific  
23 recollection of whether I knew or not at the time.

24 Q You, I suppose, had a chance in your own home of  
25 maybe connecting your computer to the Internet by plugging it

1 into---

2 A The very basic thing.

3 Q Plugging it into the telephone socket on the wall,  
4 right?

5 A Yes.

6 Q Yes?

7 A Yes.

8 Q You've done that?

9 A Yes. That's as far as I can go, I guess.

10 Q You also know that, I suppose you have a dedicated  
11 telephone line that you rent from Puerto Rico Telephone  
12 Company or somebody, to use for Internet access, right?

13 A That's right.

14 Q And I suppose you get a monthly bill for that phone  
15 line, true?

16 A Yes, indeed.

17 Q And I suppose that you also pay an Internet  
18 provider such as AOL or one of those folks, true?

19 A That's true.

20 Q And you pay those folks once a month, I suppose,  
21 true?

22 A Yes.

23 Q And I suppose that regardless of whether you have  
24 taken the time to plug your computer to the socket on the  
25 wall, you still have to pay the AOL bill and the telephone

1 bill, true?

2 A That's right.

3 Q And you can, in fact, unplug the connection from  
4 the wall and then you have no Internet access because you  
5 have unplugged it, and then you have your computer there  
6 without Internet access, true?

7 A Work of line, that's right.

8 Q Let's assume for the sake of argument here, for  
9 demonstrative purposes, that if your computer broke, the CPU  
10 or whatever broke in your computer, can you at that point  
11 call AOL and say "Listen, I don't have access to the Internet  
12 because my CPU has broken, and I expect you to fix it."?

13 A In that specific case, evidently you can't.

14 Q Because your computer it's your computer and that's  
15 separate from the Internet access that AOL is providing to  
16 you through the telephone line.

17 A I have to answer that I would have to make sure  
18 that there was no problem with the telephone connection, that  
19 the server supply evidently did not fail me which could have  
20 happened. Just for the sake of argument also, right.

21 Q Right.

22 A And I would have to evaluate whether the desktop or  
23 the laptop I have doesn't have something. I would have to  
24 examine the three variables.

25 Q True. In any event, if what the problem is that

1 the CPU in your laptop is broken, then you can't complain to  
2 AOL?

3 A If that's the variable.

4 Q Yes.

5 A Of course.

6 Q In the case of the schools where you saw the  
7 computers facing the wall, who would you have expected to  
8 turn the computers around and place them in the position  
9 where the students could use them?

10 A Obviously, in that particular case you would have  
11 to evaluate and see who is responsible. That is why I had no  
12 conclusion.

13 Q With respect to that particular item right there,  
14 you can not say here today that DRC did anything wrong  
15 because these computers were facing the wall?

16 A I can not state one thing or the other, Counsel.  
17 "Tengo que tomar un receso."

18 (OFF THE RECORD)

19 After the recess,

20 BY MR. CAMILO SALAS:

21 Q Just one or two more questions to I guess finish  
22 that point. If, for example, either your children or your  
23 wife or somebody in your home disconnects your computer and  
24 turns it around so that the screen is facing the wall, you  
25 can not call AOL or the Telephone Company and complain about

1 that?

2 A In that specific case, I obviously can not.

3 Q So, what is it that you feel that this computer  
4 that was facing the wall in this school that you actually saw  
5 with your own eyes, was the responsibility of or was caused  
6 by negligence of DRC or any other contractor?

7 A I have not placed the blame on the Corporation in  
8 that specific case, what I stated was that I saw several  
9 scenes that showed this dysfunctionability.

10 I didn't go and investigate whose responsibility  
11 this was, this was all part of the dysfunction ability that  
12 was within the whole process.

13 But indeed it was symptomatic that something was  
14 not working adequately. Obviously, the picture was of  
15 something that was not normal.

16 Q Another item that you mentioned as part of this  
17 picture that you had at the time, was that the equipment was  
18 not connected.

19 When you say equipment was not connected, are you  
20 talking about the computers, the PC's or are you talking  
21 about any other equipment such as servers and things of that  
22 nature?

23 A I'm referring to the whole system. It wasn't  
24 connected and it wasn't connected to the whole system.

25 Q When you say, and maybe we have been too generally,

1 I think. When you say you was not connected, are you saying  
2 that physically the cables were not connected where they  
3 should be or are you saying that...

4 A What I saw was that there was no physical  
5 connection, nor any possible connection to the system.

6 Q Which connections were not---

7 A That even if you turned the computer on, even if  
8 you could turn it on, there was no connection into the  
9 system. That is, I saw equipment in a corner with no  
10 usefulness. And I saw computers that could be turned on, but  
11 that they could not go into the system.

12 Q You saw equipment that was in a corner. What kind  
13 of equipment, servers and things like that? Computers?

14 A My best recollection is that there were computers  
15 and servers. What was obvious and always there was the lack  
16 of knowledge of the black box, what was it there for, when  
17 was it going to be used, what is it good for.

18 Q Did you at any time said to the folks who were  
19 asking you, that it would be used whenever the Department  
20 gets computers?

21 A Remember, I'm telling you of computers in the  
22 front, and black boxes that are in no working capacity.  
23 Obviously the answer that I as a Secretary have to give is  
24 that we have to get together and get it working. I can not  
25 state that is whose responsibility, is it one or the other's,



1 obviously.

2 Q You also indicated that there were no more than 12  
3 schools that were able to connect to the Internet. Remember  
4 that?

5 A That was informed to me.

6 Q By whom?

7 A José Santana and a group of advisers who were there  
8 at the time. And that was reiterated, it was reiterated  
9 subsequence by Anibal Cruz who when we got here reiterated  
10 that.

11 Q When was it that there were only 12 schools that  
12 could be connected to the Internet? At what time?

13 A The very beginning of the process, meaning January  
14 2001. As I recall, of course.

15 Q And you don't know why only 12 schools were able to  
16 be connected to the Internet?

17 A No, I don't.

18 Q You said that there were connections that were  
19 eaten up by rodents, it was something that you saw with your  
20 own eyes, or something that you were told?

21 A No, I was informed about that.

22 Q Which type of connections were these?

23 A I don't know. Tubes, pipes with cables inside.

24 Q The mice had eaten up through the tubes, yes?

25 A They were disconnected, they would go in and eat

1 the cables. There was no connectivity. And in others there  
2 were mice, and the infrastructure had deteriorated.

3 Although, honestly I can not say that there was or  
4 not, but I had seen photos of the deterioration. I can not  
5 say that I saw them, but I did see the photos.

6 Q And where are the photos now?

7 A I don't know.

8 Q Who showed them to you?

9 A People from technology.

10 MR. CAMILO SALAS: Mr. Bennazar, do you mind  
11 getting those photographs?

12 MR. A.J. BENNAZAR: To the extent they may exist  
13 and because somewhat, we would have no objection.

14 MR. CAMILO SALAS: Alright.

15 MR. A.J. BENNAZAR: First, we have to find out if  
16 they still exist.

17 BY MR. CAMILO SALAS:

18 Q There were some tubes for electrical connections  
19 that were full of water, you said?

20 A That the tubes were so deteriorated that there was  
21 a water sediment or that they were deteriorated because of  
22 the mice. As a matter of fact, in press reports much part of  
23 the complaints at school have to deal with that. Not large,  
24 but some of the complaints.

25 Q With this picture in mind, you made the decision to

1 cancel DRC's contract?

2 A No. Based on what I just told you, you don't base  
3 the decision of cancelling a contract on what I have just  
4 told you. And visits to the schools. It's more complex than  
5 that.

6 Q What information did you have that indicated to you  
7 that DRC had done anything wrong with respect to its contract  
8 with the Department of Education in what it was hired to do?

9 A I reiterate, Counsel, there were some evaluations  
10 of non compliance, there were some evaluations of  
11 dissatisfaction with the service. And the Commonwealth of  
12 Puerto Rico is questioned on the handling and distribution of  
13 funds regarding a specific project which is the E-Rate  
14 project.

15 Q Let me see if we can do it this way.

16 A And now in order to complete with my idea. And the  
17 decision was taken, which at the time we took it, we thought  
18 was the correct decision.

19 Q You mean to cancel the Contract?

20 A That's right.

21 Q Let's go back to Exhibit number 1 which is the  
22 letter of cancellation that you issued on the 23<sup>rd</sup> of January,  
23 2002. The second paragraph of your letter states that the  
24 cancellation was being done in accordance with paragraph 16  
25 of the Contract.

1 A True.

2 Q That's 26<sup>th</sup> right there. What year was that?

3 A November 14<sup>th</sup>, 2000, Counsel.

4 Q First of all, let me ask you, who wrote that letter  
5 for you?

6 A I can not tell you, I can't specify who did it  
7 specifically. It obviously must have been the legal  
8 division, plus my technical advisors. That is the usual  
9 protocol.

10 Q But you have discussed this beforehand with the  
11 legal assessors and your---

12 A Technical team and the corresponding reports.

13 Q What you were saying was that in accordance with  
14 Clause 16 of the Contract, you were cancelling the Contract,  
15 right?

16 A That is correct.

17 Q And you have Clause 16 in front of you, and it's in  
18 English. It says "16, Negligence for non compliance with the  
19 terms of this Contract or improper conduct by DRC will  
20 constitute sufficient cause to terminate the same without a  
21 requirement of prior notice".

22 "If the Department decides to terminate this  
23 Contract, DRC will abstain from performing any further acts  
24 unless its inaction will cause harm to the Department or  
25 imply improper professional conduct in which case he will

1       notify the Department of the action taken."

2               What are the acts of negligence or non compliance  
3       that you attributed to DRC as the basis for cancellation of  
4       the Contract under Clause 16?

5               A     I believe that action is a conclusion of an  
6       evaluation which takes place during that first year, and  
7       which in a large measure it's summarized in the report of  
8       Adonay Ramírez of September 18<sup>th</sup> where there is in detail some  
9       of those actions and recommendations.

10              Q     So the alleged acts of negligence or non compliance  
11       will be outlined in Mr. Adonay Ramirez's September 18<sup>th</sup>, 2001  
12       report?

13              A     In part, and obviously during the evaluation that  
14       is made during one year of contractual obligation. And aware  
15       of the ministerial responsibility of the Secretary, plus  
16       whatever he deems necessary for the benefit of the system.

17              Q     If I wanted to know specifically what was alleged  
18       that DRC did wrong in respect to its obligations under the  
19       Contract, I need to look at Adonay Ramirez's September 18<sup>th</sup>,  
20       2001 report.

21              What else do I need to look at so that I can be  
22       informed of everything that you and or your advisors thought  
23       DRC had done wrong?

24              A     You would obviously have to go over the evaluations  
25       that were made during that year which include this report,

1 oral reports, meetings, evaluation, ocular inspections of the  
2 site, and the general inventory of specific situations which  
3 affect a decision taking.

4 There are progress reports, there are evaluations,  
5 forms that were sent to different schools, there are meetings  
6 with teachers, directors, technical personnel.

7 Q And where are those documents?

8 A They must be in the system. They must be with the  
9 persons who were in charge with the whole process, with the  
10 technological support.

11 Q Will you be kind enough to provide us with all  
12 those documents that you have just mentioned today?

13 A Whatever is available, I gladly will, Counsel.

14 MR. A.J. BENNAZAR: For the purpose of the record,  
15 we have already provided brother Counsel with the minutes of  
16 the Re-Educate weekly meetings conducted by Adonay Ramirez  
17 from July 2001 until February 2002.

18 We also provided brother Counsel with each and  
19 every one of the tally sheets of the fourteen hundred visits  
20 that were made or the thirteen hundred visits that were made  
21 in February of 2002 of each and every school.

22 We've already provided brother Counsel with the  
23 inventory sheets that were produced to the Department by DRC.  
24 We've already provided brother Counsel with the lists of all  
25 the 471's that have been filed from day one.

1           We've already provided Counsel with copies of all  
2       correspondence that are in the files of the office of the  
3       Secretary, between the Secretary and USAC, and the UCC which  
4       is right here.

5           And we've already provided brother Counsel with the  
6       Adonay Ramirez's Report and it's executive summary in  
7       English, plus the presentation to you as Congress of August  
8       23, 2003.

9           We have continued to provide each and every  
10      document that we laid our hands on, at least all that are  
11      pertinent or even remotely related to DRC's contract with the  
12      Department.

13           MR. CAMILO SALAS: Is that all the documents that  
14      contain information about things done wrong by DRC? Because  
15      if that's all the documents, I'll be satisfied. If there is  
16      something else out there, I'll like to get my hands on it.  
17      BY MR. CAMILO SALAS:

18           A       (DEPONENT) I am almost certain that what has been  
19      ventilated throughout all this case is what exists.  
20      Obviously, I will have to check all the sources the sources  
21      that supplied you with all the documents to make sure that  
22      they are all the ones, and obviously I depend and I trust my  
23      legal Counsel.

24           MR. A.J. BENNAZAR: Again, may the record reflect  
25      that we have not at any time objected to producing any

1 relevant evidence which could be found.

2 Brother Counsel chose a particular and most  
3 specific way of requesting documents which is by virtue of  
4 specific subpoenas to the specific witnesses who don't happen  
5 to be custodians of certain records, and despite that  
6 limitation of the subpoenas requesting that the documents  
7 report at the depositions, we have provided Counsel with a  
8 continuous flow of documents as we come across them, and shall  
9 continue to do so if any more documents are found.

10 MR. CAMILO SALAS: As the totality of the documents  
11 that have been produced, if you tell me that that's all the  
12 documents that provide background or backup your decision to  
13 cancel DRC's contracts because of negligence or non  
14 compliance, I'd be delighted because that means I don't have  
15 to read anything else other than what I've read already this  
16 weekend. But if there is more, I'd like to get it. That's  
17 all I'm saying.

18 BY MR. CAMILO SALAS:

19 A (DEPONENT) I assure you that my instructions have  
20 been that everything that has been related to those  
21 evaluations have been ordered and supplied to you. And if  
22 that is what it is...

23 Q I would really like to get all the files of the  
24 Department of Education concerning this big mess.

25 A I can ascertain that José Santana and Adonay will



1 all go over everything that has been provided in order to  
2 make sure that everything has been given to you. But it will  
3 be a matter of my asking them directly to ascertain that.

4 Q I appreciate it. I just don't think that that's  
5 all the documents that the Department has with respect to  
6 this matter that has been of great importance to you and the  
7 Department and to everybody else. And I just don't believe  
8 that basically they have less than two feet of documents for  
9 this kind of situation. I don't believe that everything  
10 there, but if that's what it is, you just tell me "that's  
11 what it is", and again.

12 Let's get back to... After you wrote that letter  
13 on January 23<sup>rd</sup>, 2002, DRC responded, did they not?

14 Let me show you what I'm going to mark as Exhibit  
15 Rey number 2.

16 (AT WHICH TIME DEPOSITION EXHIBIT NUMBER 2 IS MARKED)  
17 BY MR. CAMILO SALAS:

18 Q Do you remember seeing that letter?

19 A I must have undoubtedly received it, but I do not  
20 recall the details.

21 Q Would you have given that letter to one of your  
22 assessors or advisors to respond?

23 A Undoubtedly, the letter must have been discussed  
24 with legal advisors and technical personnel who had been  
25 working in the case.

1 Q One of the things that DRC said in that letter was  
2 that because of this cancellation of the contract that you  
3 had undertaken one of the potential outcomes was the freezing  
4 of all the federal funds, right?

5 A That's right.

6 Q In fact, if DRC ultimately proves to be correct in  
7 that the funds were in fact frozen by the ---

8 MR. A.J. BENNAZAR: Objection, your question, if it  
9 is a question, which I have my doubts, completely  
10 mischaracterizes all the prior testimony of this witness  
11 because it was never stated that the---

12 MR. CAMILO SALAS: All you have to say is ---

13 MR. A.J. BENNAZAR: ---non approval of funds has  
14 anything to do with the determination of DRC.

15 BY MR. CAMILO SALAS:

16 Q All I'm saying is that in this letter, DRC warned  
17 that because of this cancellation of the DRC contracts, one  
18 of the potential outcomes was that the federal funds from  
19 USAC were going to be frozen, is that not right?

20 A That's an appreciation of the signer of the letter.

21 Q And in fact that did happen afterwards, right?

22 A But the thing is no cause and effect  
23 correlation. The E-Rate funds in the whole nation are  
24 frozen, and it is right now before Congress under public  
25 scrutiny.

1           Q    Another thing that DRC indicated in this letter was  
2           that if the funds are frozen, then DRC would not be able to  
3           collect on the amount for the services that it had already  
4           performed under the Contract.

5           A    That is what the letter states, correct.

6           Q    And in fact, it is true that DRC has not been able  
7           to be paid for services that were already performed even up  
8           to the date of the cancellation?

9           A    I don't know.

10          Q    In the letter, DRC was asking you to tell them what  
11          is it that we have done wrong that is triggering the  
12          cancellation under Clause 16, is that not right?

13          A    That's what the letter says, correct.

14          Q    After DRC sent you that letter, they sent you  
15          another letter which is dated February 13<sup>th</sup>, 2002. Here is a  
16          copy of it which I'm going to mark and identify as Exhibit  
17          number 3.

18               (AT WHICH TIME DEPOSITION EXHIBIT NUMBER 3 IS MARKED)

19          BY MR. CAMILO SALAS:

20          Q    Do you recall receiving that letter?

21          A    Evidently, I don't have any memory, I don't recall  
22          the contents of this letter.

23          Q    In the Department if a letter was addressed to you,  
24          how is that normally handled, or was handled back then?

25          A    It is referred to me, and immediately a group

1 starts dealing with the letter which is the group that has  
2 been dealing with this situation.

3 Again, depending on the importance, I read it and  
4 pass it on to the group that is dealing with the case for  
5 processing.

6 Q In this case who would have been the group that was  
7 dealing with the cancellation of DRC's contract?

8 A Obviously, the legal counsels.

9 Q Who were those at the time you told me that---

10 A The Legal Division, the persons who intervene must  
11 be pointed out somewhere, and the technical team.

12 Q So there would be a record of who was involved in  
13 this process?

14 A There must be minutes of the people who  
15 participated in the evaluation or there should be.

16 Q And who would have those minutes?

17 A Santana, the office of OSIAT, perhaps the Legal  
18 Division would have them.

19 MR. CAMILO SALAS: Mr. Bennazar, do you mind?

20 MR. A. J. BENNAZAR: Well, to the extent that you  
21 are seeking to elicit any legal advice from the Legal  
22 Division, of course, I object strongly.

23 To the extent there's any minutes on the evaluation  
24 of DRC's performance, we would gladly produce whatever  
25 document is found.

1 MR. CAMILO SALAS: Well, let me state for the  
2 record, because as I guess, I guess we might get into it.  
3 Whenever there is any legal advice intended to perform a  
4 function that is generally performed by somebody that like  
5 the Deponent or anybody else that performs the function as a  
6 routine, part of its business it's not protected by Attorney-  
7 Client privilege. So I would urge you to take that into  
8 account when you respond.

9 MR. A.J. BENNAZAR: Well, we cross the bridge when  
10 we get to it. First, let's see if there is any documents  
11 along the lines of what you are asking, and then we make a  
12 determination.

13 MR. CAMILO SALAS: Okay.

14 BY MR. CAMILO SALAS:

15 Q In any event, we have a letter which is dated  
16 February 15<sup>th</sup>, 2002 which is, I suppose, your response to all  
17 the letters from DRC. Do you remember reading that letter?

18 A Reading this letter?

19 Q Or sending it? You would have to read it before  
20 you sign, right?

21 MR. A.J. BENNAZAR: "¿La va a marcar como 4?"

22 MR. CAMILO SALAS: Yes, yes, it's already marked as  
23 number 4.

24 MR. A.J. BENNAZAR: It is? "Ah, bueno, acá".

25 (AT WHICH TIME DEPOSITION EXHIBIT NUMBER 4 IS MARKED)

1 BY MR. CAMILO SALAS:

2 Q That letter looks to me like it was written by a  
3 lawyer, am I right?

4 A Probably, Counsel.

5 Q This got those legal footnotes and all those things  
6 that lawyers do, is that right?

7 A This operation is too complex that it's a good  
8 thing for me that I have advice.

9 Q You didn't write the letter?

10 A Obviously not.

11 Q This letter says that you were cancelling the  
12 contract according to Clause 12, whereas in the first letter  
13 of January 23<sup>rd</sup>, you were cancelling pursuant to Clause 16?

14 A The way I read it, Counsel, it's different.

15 Q Okay, explain it to me then.

16 A In the letter of January 23<sup>rd</sup>, of the year 2002,  
17 reads according to the 16<sup>th</sup> Clause of contract number so and  
18 so, and it's amended, "the same will be solved and terminated  
19 as of today", and it states the date.

20 Of course, I am not the one who gives a lecture on  
21 the law. But by reading, it says "non compliance or  
22 negligence", right?

23 With the terms of the Contract or improper conduct,  
24 etcetera, etcetera, would be enough cause to terminate the  
25 Contract.

1 Q And then DRC wrote you and said "tell us what are  
2 the acts of negligence or non compliance that justify the  
3 cancellation of the contract under Clause 16<sup>th</sup>?

4 A Exactly.

5 Q Now you are writing back and you are saying  
6 "Conforme a la Cláusula duodécima del Contrato número tal,  
7 según enmendado nos reiteramos en la terminación del Contrato  
8 por razones de sana administración pública".

9 "In accordance to the 12<sup>th</sup> Clause of contract number  
10 such and such, as amended we reiterate in the termination of  
11 the Contract for reason of good public policy  
12 administration".

13 A The advice I received at the time of the drafting  
14 and the signing of the letter agreed with that conclusion.

15 Q So now you were invoking Clause 12<sup>th</sup> of the  
16 Contract, true?

17 A Yes, according to the letter of February 15<sup>th</sup> signed  
18 by me to Mr. Santos Díaz.

19 Q Had you abandoned the cancellation under Clause 16<sup>th</sup>  
20 that you originally invoked on your January 23<sup>rd</sup>, 2002 letter?

21 A With all the respect, this a question that is too  
22 technical in the legal aspect.

23 Q So, at the time when you wrote the letter, you did  
24 not have an understanding of what you were doing?

25 A I was informed of a decision of the recommendation

1 for a decision based on a empirical base of findings,  
2 dissatisfaction and irregularities according to our reading.  
3 This in no way go against our decision which is based on a  
4 very empiric and documented grounds.

5 Q In the February 15<sup>th</sup>, 2002 letter you were invoking  
6 Clause 12 of the Contract, and that Clause reads as follows:  
7 12<sup>th</sup>, "This contract may be terminated at any time by mutual  
8 consent of both parties." "The Department may terminate this  
9 Contract prior to its expiration date by written notification  
10 to DRC 30 days prior to the intended date of termination  
11 stating the reasons for its termination".

12 Now, I don't think it requires any lawyer to  
13 interpret that, or if you think that you do, let me know, but  
14 this Clause says that the Department may terminate the  
15 Contract by giving 30 days notice before termination, right?

16 A Correct.

17 Q Was that 30 day notice given?

18 A At this time, I don't know wether it was given or  
19 not.

20 Q And also it states that the reasons for the  
21 termination must be given?

22 A That's how it reads.

23 Q In the letter of February 15<sup>th</sup>, 2002, the reasons  
24 given for the termination are: "por razones de sana  
25 administración pública", is that true?



1 A That's how it reads, correct.

2 Q What does that mean?

3 A We would have to go over all the evaluations.

4 Q What did you mean when you said "por razones de  
5 sana administración pública"? Can you explain that to me?

6 A I think we would have to go over all the exhibits  
7 and all the evaluations we made during one year to make that  
8 conclusion.

9 Q What is it that that the expression mean, first of  
10 all, because I have really tried to put some concrete  
11 thinking to that, you know and I'm not---

12 A Counsel, I believe it's self-explanatory.

13 Q That was somebody else's words anyway. Those were  
14 not your words?

15 A That could have been an expression of my vocabulary  
16 and my belief, and which I still believe. And which I  
17 subscribed in order to erase any doubt that may exist.

18 Q If it's your own, then you should explain to me  
19 what it means.

20 A It is self-explanatory, Counsel.

21 Q Let me ask you this question then. Did you cancel  
22 the Contract under Clause 12 or under Clause 16, or under  
23 both?

24 A I cancelled a contract as a result of a one year  
25 evaluation of dissatisfaction and irregularities according to